

BILL NO. BL2018-1442 (VERCHER, O'CONNELL, & BEDNE) – This ordinance, as amended, would approve the acquisition of interests in a parcel of real property from four parties and approve a participation agreement, license agreement, and easement agreement between the Metropolitan Government and Uptown Property Holdings, LLC (UPH) connected to the development of the Nashville Yards project.

The participation agreement reflects UPH's public infrastructure improvements including (i) environmental clean-up in the public right-of-way; (ii) traffic signalization; (iii) street and sidewalk work at 10th Avenue, 9th Avenue, Church Street, 8th Avenue and Commerce Street; and (iv) separation of certain water and sewer utilities and related utility infrastructure and upgrades – all identified in Exhibit A to the participation agreement and totaling an estimated \$79,470,000. Of those improvements, the Metropolitan Government would agree to reimburse UPH for certain infrastructure, identified in Exhibit B to the agreement, presumably requiring the completion of these projects. The estimated expense of these reimbursable infrastructure items totals \$16,693,699, but the participation agreement caps Metro's reimbursement payment at \$15,250,000 – the equivalent of 19.2% of the total infrastructure costs.

With respect to proposed street and sidewalk work at 10th Avenue, the capital spending plan adopted in October, 2018 under Resolution No. RS2018-1454 designated a total of \$15,000,000 for "Roads" projects by the Public Works Department, identified as project no. 02PW020. The FY19 Capital Improvements Budget designated \$10,000,000 for "10th Avenue North / Broadway area – Traffic signalization, sidewalks and road improvements", identified as project no. 19PW0003. The Metro Public Works Department has previously advised that, of the \$15,000,000 designated for "roads" in the Capital Spending Plan, \$3,000,000 would be earmarked for "10th Ave N & Broadway Infrastructure Improvements." According to the Mayor's Office of Economic and Community Development, Metro Water Services will fund an additional \$3,250,000, leaving \$9,000,000 to be funded in future capital spending plans.

The license agreement, attached to the ordinance as Exhibit 2, would grant a license from Metro to UPH to enter upon the property located under Broadway at 10th Avenue. This area is designated on Exhibit A to the license agreement. The term of the license would be twenty (20) years and would renew automatically for five (5) years unless written notice is given by Metro at least 180 days prior to the expiration of the term. UPH would be given access and use of the property and could make improvements to the property with the permission of Metro.

Metro would also acquire interests in real property by quitclaim deeds from four parties, as shown in Exhibit 3 attached to the ordinance. UPH, the Young Men's Christian Association of Middle Tennessee (YMCA), the State of Tennessee, and the Nashville Electric Service would each grant Metro any interest they have in the separate properties that encompass the proposed 10th Avenue North. Each property is described on Exhibits A and B, attached to each quitclaim deed.

The ordinance would also approve an irrevocable easement and maintenance agreement between Metro and UPH, attached as Exhibit 4 to the ordinance. This agreement would include (1) a temporary, non-exclusive construction easement; (2) a permanent, exclusive, irrevocable right-of-way and easement for the placement, ownership, use and maintenance of the roadway improvements, as well as an exclusive and irrevocable right and easement in the airspace directly above the area for the construction of a pedestrian bridge over, above and spanning Tenth Avenue; (3) a permanent, exclusive, irrevocable easement for the purpose of constructing vehicular turnaround related improvements. The agreement lays out conditions precedent, including delivery plans and specifications for the roadway and turnout improvements and copies of all permits, approvals, ordinances, resolutions and licenses required to commence construction of the improvements to Metro, which would be required to be completed before the easements would become effective. The easements could be terminated if the required conditions precedent do not occur within five (5) years from the date of the agreement. UPH would be permitted to transfer or assign its rights under this agreement. UPH would further agree to maintain and operate the improvements in a safe, clean and secure condition.

An amendment adopted at the January 3, 2019 Council meeting added a clawback provision to the participation agreement.

Fiscal Note: Upon completion of these infrastructure projects, UPH would convey ownership of the signalization, streets, sidewalks and water utilities to Metro at no cost; although Metro would be responsible for the ongoing operation and maintenance.

Metro would reimburse UPH for (i) construction; (ii) design and project management costs; and (iii) inspection expenses and other miscellaneous costs associated with the work. Metro would compensate UPH up to \$15,250,000 for infrastructure projects, listed on Exhibit B attached to the participation agreement. UPH estimates the total cost of this work to be \$16,693,699.

Metro would make payments annually over a multi-year period not to exceed four years. Payments would not exceed \$6,000,000 in any one fiscal year. This agreement could be amended by resolution of Council. Infrastructure projects for the Nashville Yards project to be undertaken by UPH are also listed on Exhibit A to the participation agreement and total an estimated \$79,470,000.